

SETTLEMENT AGREEMENT

Parties

This Agreement is entered by and between the United States of America, acting through the United States Department of Justice, and Elizabeth Drescher ("the Relator"). As a preamble to this Agreement, the United States and the Relator state:

Preamble

WHEREAS, a Complaint has been filed by the Relator, on behalf of the United States, in the United States District Court for the Eastern District of Pennsylvania pursuant to 31 U.S.C. § 3730, Civil Action No. 00-3513 ("the Complaint").

WHEREAS, the United States and the defendant named in the Complaint, Highmark, Inc., entered into a Settlement Agreement in or about ("Settlement Agreement") resolving, among other matters, the allegations in the Complaint.

WHEREAS, under the terms of the (Highmark) Settlement Agreement, Highmark has already paid Two Million Five Hundred Seventeen Thousand One Hundred Fourteen Dollars (\$2,517,114.00) and has agreed to pay the United States an additional sum of Two Million Thirty Thousand Eight Hundred and Forty Dollars (\$2,030,840.00).

WHEREAS, the United States and the Relator mutually desire to make a full, complete, and final settlement of Relator's share of the Highmark Settlement proceeds pursuant to 31 U.S.C. §3730(d)(1).

ACCORDINGLY, in reliance upon the representations contained herein and in consideration of the mutual promises, covenants and obligations in this Agreement and the resolution of the claims set forth below, and for good and valuable consideration, receipt of which

is by each acknowledged, the United States and the Relator agree as follows:

Terms and Conditions

1. The United States agrees that Relator shall be awarded \$818,631.72 of the settlement amount agreed upon by Highmark and the United States. The United States will make this payment within a reasonable time after the United States' receipt of the remaining Two Million Thirty Thousand Eight Hundred Forty Dollars (\$2,030,840.00) from Highmark. The obligation to make this payment to the Relator is expressly conditioned on the receipt by the United States of this additional payment by Highmark under the Settlement Agreement. Should Highmark fail to make this additional payment required by that Agreement, the United States shall have no obligation to make a payment to the Relator.

2. Relator agrees that this settlement is fair, adequate, and reasonable under all circumstances, and will not challenge the Settlement Agreement pursuant to 31 U.S.C. § 3730(c)(2)(B), and expressly waives the opportunity for a hearing on any such objection, pursuant to 31 U.S.C. § 3730(c)(2)(B).

3. On receipt of this \$818,631.72 payment, Relator, for herself, her heirs, successors, and assigns, will release and will be deemed to have released and forever discharged the United States from any claims pursuant to 31 U.S.C. § 3730(d)(1) for a share of the proceeds of the Highmark Settlement Agreement. The Relator hereby releases any and all claims, of whatever kind, against the United States arising out of or relating to Civil Action No.00-3513 filed in

the United States District Court for the Eastern District of Pennsylvania. Relator's Complaint will be dismissed with prejudice pursuant to this settlement.

4. Specifically excluded and reserved from those claims and causes of action dismissed with prejudice under Paragraph 3 above is any dispute, claim, or defense which may arise between the Relator and Highmark regarding attorneys' fees or claims of the Relator under 31 U.S.C. § 3730(d)(1).

5. The United States and the Relator agree that, if the Settlement Agreement between the United States and Highmark is held by a court not to be "fair, adequate, and reasonable," as required under 31 U.S.C. § 3730(c)(2)(B), or if the Complaint is not dismissed with prejudice, this Settlement Agreement is null and void.

6. This Agreement, together with all of the obligations and terms hereof, shall inure to the benefit of and shall bind assigns, successors-in-interest, or transferees of the United States and the Relator.

7. Each of the signatories to this Agreement represents that he or she has the full power and authority to enter into this Agreement.

8. This writing constitutes the entire agreement of the United States and the Relator with respect to the subject matter of this Agreement and may not be modified, amended or terminated except by a written agreement signed by the United States and Relator specifically referring to this Agreement.

9. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitutes one and the

same agreement.


10. This Agreement is effective on the date of signature of the last signatory to the Agreement.

11. All parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

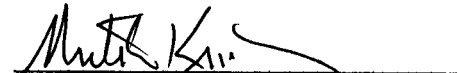
IN WITNESS WHEREOF, the parties, through their duly authorized representatives, hereunder set their hands.

RELATOR

Dated: June 12, 2006


ELIZABETH DRESCHER, Relator

Dated: June 12, 2006


MITCH KREINDLER, Esquire
SHARON GURAK, Esquire
Counsel for Relator

UNITED STATES OF AMERICA

Dated: 6-19-06

BY: Patrick L. Meehan
PATRICK L. MEEHAN
United States Attorney

Dated: 6-19-06

BY: Virginia A. Gibson
VIRGINIA A. GIBSON
Assistant United States Attorney
Chief, Civil Division

Dated: 6-19-06

BY: Margaret L. Hutchinson
MARGARET L. HUTCHINSON
Assistant United States Attorney